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Remarks

1. Claims 1-24 are rejected under 35 U.S.C. 102(e) as being anticipated by Pointer (6,771,065).
 - a. Regarding Claim 1, Pointer does not disclose a ring magnet but an in line magnet (Col. 1, lines 66-67). In fact, Pointer teaches away from using a ring magnet in Col. 1, lines 26-59. Additionally, Pointer teaches "the magnet is axially aligned with the hall effect detector in spaced relationship along an axis" in Col 2, lines 1-2. This is also seen in the drawings of Pointer. The instant invention does not claim an in line magnet but a ring magnet, and the sensor of the instant invention is not in the axial relationship disclosed in Pointer, as can be clearly seen in Figures 1-7. Applicants contend that this patentably distinguishes the instant invention over the prior art and that claim 1 is now in condition for allowance.
 - b. Regarding claims 2-8, as these claims depend directly or indirectly from claim 1, for at least the reasons cited above in 1(a), applicants contend these claims are in condition for allowance.
 - c. Regarding claim 9, the method of claim 9 has a limitation of a disk-shaped magnet that is not disclosed by Pointer. In addition, the same arguments concerning the placement of the sensor that are made in point 1(a) above

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- apply. Therefore, applicants contend that claim 9 is in condition for allowance.
- d. Regarding claims 10-16, as these claims depend directly or indirectly from claim 9, for at least the reasons cited above in 1(c), applicants contend these claims are in condition for allowance.
 - e. Regarding claim 17, applicants have amended Claim 17 to include the limitation of a ring magnet or a disk-shaped magnet. As discussed in points 1(a) and 1(c) above, Pointer does not disclose or teach these magnet geometries with respect to sensing flux from returning flux lines. Therefore, applicants contend that claim 17 is now in condition for allowance.
 - f. Claim 18 has been amended in accordance with adding the limitation of the ring magnet to Claim 17.
 - g. Claim 24 has been amended to clarify any antecedent basis issue with the previous use of magnet means instead of the claimed magnetic means.
 - h. Regarding claims 18-24, as these claims depend directly or indirectly from claim 17, for at least the reasons cited above in 1(e), applicants contend these claims are in condition for allowance.

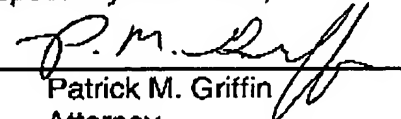
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Applicants appreciate the Examiner's thorough examination of the instant application. Applicants believe that the application is now in condition for allowance and look forward to a timely Notice of Allowance.

The Commissioner is authorized to charge our Deposit Account No. 50-0831 the amount of \$120 for the one month extension of time fee. The Commissioner is authorized to charge any deficiencies and credit any overpayment to Deposit Account No. 50-0831.

Respectfully submitted,

By



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